

Redacted

From: Stephanie_Boone@swissre.com [mailto:Stephanie_Boone@swissre.com]
Sent: Tuesday, October 25, 2011 1:35 PM
To: Miller, Jeff
Subject: Re: Employers Claim No. 0628613: Kaiser Cement & Kaiser Gypsum

Dear Jeff,

Thank you for your email. Please send a copy of the the Kaiser Gypsum 21 December 2010 notice letter, as well as any insurance polic(ies) you contend ERC issued that cover Kaiser Gypsum.

Best regards,
Stephanie

Stephanie Schrandt Boone, JD | Vice President | Claims & Liabilities
Swiss Re America Holding Corporation | Postal Address: 5200 Metcalf Avenue , Overland Park, KS 66202, USA
Direct: +1 415 482 8217 Fax: +1 866 656 7504 Mobile: +1 415 359 7840 E-mail: Stephanie_Boone@swissre.com

<http://www.swissre.com>

Please consider the environment - do you really need to print this email?

From: "Miller, Jeff" <Jeff.Miller@MillerNash.com>
To: <Stephanie_Boone@swissre.com>
Cc: "Ledwith, Cara L." <Cara.Ledwith@MillerNash.com>
Date: 10/25/2011 01:20 PM
Subject: Employers Claim No. 0628613: Kaiser Cement & Kaiser Gypsum

Dear Ms. Boone,

KG2004957

I am writing in response to your letter to Steve Hill dated September 14, 2011. I want to provide some of the information you requested and make a clarification.

First the clarification, we represent the Kaiser Gypsum Company, Inc. ("Kaiser Gypsum") and Kaiser Cement Corporation ("Kaiser Cement") with respect to insurance coverage for any liability they have related to the Lower Duwamish Waterway Site. Kaiser Gypsum and Kaiser Cement are separate legal entities that owned and operated facilities at different locations on the Lower Duwamish Waterway and received separate Section 104(e) information requests from the U.S. Environmental Protection Agency ("EPA"). The two entities have separately responded to EPA's information request and continue to incur separate and distinct defense costs. Accordingly, Kaiser Gypsum sent a notice letter dated December 21, 2010 to Employers and Kaiser Cement sent a notice letter to Employers dated December 22, 2010. The Kaiser Gypsum notice letter was acknowledged by email dated January 13, 2011 from Ms. Mary McCoy. Your recent correspondence acknowledges the Kaiser Cement notice letter.

This clarification is necessary because your recent letter focuses on Kaiser Cement and mostly ignores Kaiser Gypsum. The letter lists the two locations that Kaiser Cement was associated with, but does not mention the site that Kaiser Gypsum was associated with (5931 E. Marginal Way S.). We request that you review your file and assign a separate claim number for Kaiser Gypsum's coverage claim. Please let me know if you need a copy of Kaiser Gypsum's December 21, 2010 notice letter.

You asked us to clarify the relationship between Kaiser Cement and Gypsum Corporation and Kaiser Cement Corporation (n/k/a Hanson Permanente Cement, Inc. They are one and the same. The name of Kaiser Cement and Gypsum Corporation was changed to Kaiser Cement Corporation in 1979. Kaiser Gypsum has been a wholly-owned subsidiary of Kaiser Cement (n/k/a as Hanson Permanente Cement, Inc.) since at least 1961.

We trust that the attached coverage charts, correspondence from the underlying carriers, EPA 104(e) requests, and preliminary responses fulfill your other requests for information. You can also learn more about the Site at <http://yosemite.epa.gov/r10/cleanup.nsf/sites/lduwamish>.

Regarding the underlying carriers, we have not yet received acknowledgement from Northbrook. Please let us know if you have a contact there.

Regards,

Jeff

Jeff Miller

Miller Nash llp

500 East Broadway | Suite 400 | Vancouver, Washington 98660-3324

Office: 360-699-4771 | Fax: 360-694-6413

Jeff.Miller@MillerNash.com | www.millernash.com

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CONFIDENTIALITY NOTICE: This e-mail message may contain confidential or privileged information. If you have received this message by mistake, please do not review, disclose, copy, or distribute the e-mail. Instead, please notify us immediately by replying to this message or telephoning us. Thank you.

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-----[attachment "Kaiser.zip" deleted by Stephanie Boone/SwissRe]

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EMPLOYERS REINSURANCE CORPORATION

P.O. Box 2088, Kansas City, Missouri 64142 • (816) 283-5000 • Telex 4-2501

IMPORTANT

CLAIMS REPORTING INFORMATION

Please refer to Section V of your Excess Liability Insurance Certificate concerning your duties in the event of a claim or suit.

An early report of a loss will enable us to work more closely with you and your primary insurers in the equitable disposition of a claim for our mutual benefit.

The notice of loss should include the following information about the underlying insurance:

1. Name of the insurance company.
2. The address of the office in which the claim is being handled.
3. The name of the person supervising the handling of the claim.

In the event of a claim which is likely to involve your Excess Liability coverage, our company should be notified immediately.

EXCESS INSURANCE AGREE
EMPLOYERS REINSURANCE CORPORATION
(hereinafter called the Corporation)

me

je

EXCESS INSURANCE AGREEMENT
EMPLOYERS REINSURANCE CORPORATION

Kansas City, Missouri

No. PLE-21526

SCHEDULE

1. Insured: Kaiser Cement and Gypsum Corporation
2. Address: 300 Lakeside Drive
Oakland, California 94666
3. Period of Agreement: From 12:01 A.M., October 14, 1977
to 12:01 A.M., October 1, 1978
standard time at the address of
the Insured as stated herein
4. Underlying Policy: Umbrella Liability Policy No. 907085 issued
by First State Insurance Company and Excess Umbrella Liability
Policy No. 63-003-630 issued by Northbrook Insurance Company,
both policies being considered a single policy, issued by a single
issuer, for purposes of this agreement affording limits of
\$22,000,000 each occurrence and in the aggregate which is, in
turn, excess of primary insurance.
5. Excess Insurance Hereunder: 17.86% pro rata share of \$28,000,000
each occurrence and in the aggregate (\$5,000,000 each occurrence
and in the aggregate) excess of underlying as more specifically
set forth in the agreement.
6. Premium: \$6,266.00
7. See Endorsement No. 1

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EMPLOYERS REINSURANCE CORPORATION


Authorized Representative

KG2004961

EXCESS INSURANCE AGREEMENT

EMPLOYERS REINSURANCE CORPORATION

(hereinafter called the Corporation)

agrees with the Insured named in the Schedule made a part hereof, in consideration of the payment of the premium and subject to all of the terms of this agreement, as follows:

The Corporation hereby agrees to indemnify the Insured in respect of occurrences taking place during the period of this agreement for any and all sums which the Insured shall by law become liable to pay and shall pay or by final judgment by adjudged to pay to any person or persons as damages arising out of the hazards covered by and as defined in the underlying policy specified in Item 4 of the Schedule, the issuer of which policy shall hereinafter be called the "Underlying Insurer"; PROVIDED THAT it is expressly agreed that liability shall attach to the Corporation only after the Underlying has paid or has been held liable to pay the full amount of their respective ultimate net loss liability as follows:

ALL COVERAGES COMBINED:

\$17,000,000 ultimate net loss in respect of each occurrence and in the aggregate excess of \$5,000,000 each occurrence and in the aggregate* (hereinafter referred to as the "Underlying Limit");

PROVIDED FURTHER THAT it is expressly agreed that liability shall attach to the Corporation only as respects a 17.86% pro rata share of ultimate net loss in excess of the Underlying Limit but in no greater amount than:

\$5,000,000 ultimate net loss in respect of each occurrence and in the aggregate.

CONDITIONS

1. Maintenance of Underlying Insurance. This agreement is subject to the same warranties, terms and conditions (except as otherwise provided herein) as are contained in or as may be added to the policy of the Underlying Insurer prior to the happening of an occurrence for which claim is made hereunder and should any alteration be made in the premium for the policy of the Underlying Insurer during the currency of this agreement, then the premium hereon shall be adjusted accordingly.

The policy of the Underlying Insurer shall be maintained in full effect during the period of this agreement except for any reduction of the aggregate limits contained therein solely by payment of claims for occurrences which take place during the period of this agreement. Failure of the

*which is, in turn, excess of primary insurance.

ERC-2245A

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Insured to comply with the foregoing shall not invalidate this agreement but in the event of such failure, the Corporation shall only be liable to the same extent as it would have been if the Insured had complied with this condition.

2. Attachment of Liability. Liability under this agreement shall not attach unless and until the Underlying Insurer shall have admitted liability for the Underlying Limit, or unless and until the Insured has by final judgment been adjudged to pay a sum which exceeds such Underlying Limit.

3. Application of Salvage. All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this agreement shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Corporation, provided that nothing in this clause shall be construed to mean that losses under this agreement are not recoverable until the Insured's ultimate net loss has been finally ascertained.

4. Premium. Upon delivery and acceptance of this agreement, the Insured shall pay to the Corporation the premium specified in the Schedule.

If the Insured cancels this agreement, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Corporation cancels this agreement, earned premium shall be computed pro rata.

5. Notification of Claims. The Insured upon knowledge of any occurrence likely to give rise to a claim hereunder shall give immediate written notice thereof to the Corporation.

6. Cancellation. This agreement may be cancelled at any time at the written request of the Insured or may be cancelled by or on behalf of the Corporation provided thirty (30) days' notice in writing be given. Notice of cancellation by the Corporation shall be effective even though the Corporation makes no payment or tender of return premium. The effective date of cancellation shall be the end of the period of this agreement.

IN WITNESS WHEREOF, the Corporation has caused this agreement to be executed on the Schedule page by an executive officer.

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NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

It is agreed that this agreement shall not apply to injury, sickness, disease, death or destruction:

(1) with respect to which an Insured is an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) an Insured is, or had this agreement not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or

(3) resulting from the hazardous properties of nuclear material, if

(a) the nuclear material (i) is at any nuclear facility owned by, or operated by or on behalf of, an Insured or (ii) has been discharged or dispersed therefrom; or

(b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an Insured; or

(c) the injury, sickness, disease, death or destruction rises out of the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this subparagraph (c) applies only to injury to or destruction of property at such nuclear facility.

As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or byproduct material;

"source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under subparagraph (a) or (b) thereof;

"nuclear facility" means

(a) any nuclear reactor,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,

(c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

This endorsement forms a part of the policy to which attached, effective on the inception date of policy unless otherwise stated herein.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective

Policy No.

Endorsement No. 1

Named Insured

Countersigned.

EMPLOYERS REINSURANCE CORPORATION

Authorized Representative

President

ENDORSEMENT SERIAL NO. PLE-1

ERC 1031-C

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EMPLOYERS REINSURANCE CORPORATION

P.O. Box 2088, Kansas City, Missouri 64142 • (816) 283-5000 • Telex 4-2501

IMPORTANT

CLAIMS REPORTING INFORMATION

Please refer to Section V of your Excess Liability Insurance Certificate concerning your duties in the event of a claim or suit.

An early report of a loss will enable us to work more closely with you and your primary insurers in the equitable disposition of a claim for our mutual benefit.

The notice of loss should include the following information about the underlying insurance:

1. Name of the insurance company.
2. The address of the office in which the claim is being handled.
3. The name of the person supervising the handling of the claim.

In the event of a claim which is likely to involve your Excess Liability coverage, our company should be notified immediately.

EXCESS INSURANCE AGREEMENT

EMPLOYERS REINSURANCE CORPORATION

Kansas City, Missouri

No. PLE-21526

SCHEDULE

1. Insured: Kaiser Cement and Gypsum Corporation
2. Address: 300 Lakeside Drive
Oakland, California 94666
3. Period of Agreement: From 12:01 A.M., October 14, 1977
to 12:01 A.M., October 1, 1978
standard time at the address of
the Insured as stated herein
4. Underlying Policy: Umbrella Liability Policy No. 907085 issued
by First State Insurance Company and Excess Umbrella Liability
Policy No. 63-003-630 issued by Northbrook Insurance Company,
both policies being considered a single policy, issued by a single
issuer, for purposes of this agreement affording limits of
\$22,000,000 each occurrence and in the aggregate which is, in
turn, excess of primary insurance.
5. Excess Insurance Hereunder: 17.86% pro rata share of \$28,000,000
each occurrence and in the aggregate (\$5,000,000 each occurrence
and in the aggregate) excess of underlying as more specifically
set forth in the agreement.
6. Premium: \$6,266.00
7. See Endorsement No. 1

EMPLOYERS REINSURANCE CORPORATION


Authorized Representative

30002176

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(Insured to comply with the foregoing shall not invalidate this agreement but in the event of such failure, the Corporation shall only be liable to the same extent as it would have been if the Insured had complied with this condition.

2. Attachment of Liability. Liability under this agreement shall not attach unless and until the Underlying Insurer shall have admitted liability for the Underlying Limit, or unless and until the Insured has by final judgment been adjudged to pay a sum which exceeds such Underlying Limit.

3. Application of Salvage. All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this agreement shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Corporation, provided that nothing in this clause shall be construed to mean that losses under this agreement are not recoverable until the Insured's ultimate net loss has been finally ascertained.

4. Premium. Upon delivery and acceptance of this agreement, the Insured shall pay to the Corporation the premium specified in the Schedule.

(If the Insured cancels this agreement, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Corporation cancels this agreement, earned premium shall be computed pro rata.

5. Notification of Claims. The Insured upon knowledge of any occurrence likely to give rise to a claim hereunder shall give immediate written notice thereof to the Corporation.

6. Cancellation. This agreement may be cancelled at any time at the written request of the Insured or may be cancelled by or on behalf of the Corporation provided thirty (30) days' notice in writing be given. Notice of cancellation by the Corporation shall be effective even though the Corporation makes no payment or tender of return premium. The effective date of cancellation shall be the end of the period of this agreement.

IN WITNESS WHEREOF, the Corporation has caused this agreement to be executed on the Schedule page by an executive officer.

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NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

It is agreed that this agreement shall not apply to injury, sickness, disease, death or destruction:

- (1) with respect to which an Insured is an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) an Insured is, or had this agreement not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
- (3) resulting from the hazardous properties of nuclear material, if
 - (a) the nuclear material (i) is at any nuclear facility owned by, or operated by or on behalf of, an Insured or (ii) has been discharged or dispersed therefrom; or
 - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an Insured; or
 - (c) the injury, sickness, disease, death or destruction rises out of the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this subparagraph (c) applies only to injury to or destruction of property at such nuclear facility.

As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or byproduct material;

"source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under subparagraph (a) or (b) thereof;

"nuclear facility" means \

(a) any nuclear reactor,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,

(c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

This endorsement forms a part of the policy to which attached, effective on the inception date of policy unless otherwise stated herein.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective

Policy No.

Endorsement No. 1

Named Insured

EMPLOYERS REINSURANCE CORPORATION

Countersigned.


Authorized Representative


President

ENDORSEMENT SERIAL NO. PLE-1

ERG 1021 C

30002178

KG2004968



WWW.MILLERNASH.COM

500 East Broadway
Suite 400
Vancouver, Washington 98660-3324
OFFICE 360.699.4771
FAX 360.694.6413

Steven F. Hill, P.C.
Admitted in Washington and Oregon
steve.hill@millernash.com
(360) 619-7004 direct line

December 21, 2010

**BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Employers Reinsurance Corporation
5200 Metcalf Avenue
Post Office Box 2991
Overland Park, KS 66202

Employers Reinsurance Corporation
237 E High Street
Jefferson City, MO 65102

Subject: Insured: Kaiser Gypsum Company, Inc.
Insurer: Employers Reinsurance Corporation
Policy No. (Periods): PLE21526 (10/14/77-10/01/78)
Claim: Lower Duwamish Waterway Superfund Site

Dear Ladies and Gentlemen:

We represent Kaiser Gypsum Company, Inc. ("KGC"), in connection with the necessary investigation that it is undertaking in order to respond to the United States Environmental Protection Agency's ("EPA") February 19, 2010 request for information served on KGC pursuant to Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. §9604(e). Section 104(e) of CERCLA obligates KGC to respond to EPA's multi-part questions relating to KGC's historical ownership and operations on riparian property that KGC formerly owned along the Lower Duwamish Waterway ("LDW") in Seattle, Washington. The LDW is a waterway that has been listed on the CERCLA National Priorities List as a federal Superfund site (the "LDW Superfund Site") due to the release or substantial threat of release of hazardous substances in or around the waterway. Compliance with the EPA's Section 104(e) information request is required by law, and failure to respond may subject KGC to an EPA enforcement action and civil penalties of up to \$37,500 per day.

KG2004969

039391-0009/VANDOC5:50144706.1



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Employers Reinsurance Corporation
December 21, 2010
Page 2

KGC is in the process of investigating its historical connection with the LDW. To date, we have only been able to confirm that KGC owned property and operated a gypsum plant at 5931 East Marginal Way S. in Seattle, Washington on the eastern side of the LDW (the "KGC Property") from 1952 to 1978. To date, KGC has not located any former officers or employees of KGC with knowledge of its operations at the KGC Property. On June 23, 2010, KGC filed a preliminary response to EPA's Section 104(e) information request based on the information we were able to gather from real property records, tax records, and certain historical documents that were previously gathered by KGC's defense counsel during KGC's defense of asbestos litigations.

We understand that at or around the time that it ceased active business operations, KGC collected certain of its business records and sent them to storage facilities in California. These documents cover a variety of historical information, and are believed to contain documents related to historical KGC operating facilities in multiple states, including Washington. KGC was able to locate certain indexes of the California documents, but these indexes were not created with EPA's Section 104(e) information request in mind. Therefore, it is very difficult to determine the extent of documents that might contain information responsive to EPA's Section 104(e) information request or the scope of document review that might be necessary to search for such documents. We do know, however, that there are approximately 10,000 boxes of historic documents stored in California.

During preparation of KGC's response to the Section 104(e) information request, we contacted EPA and informed EPA that these historical records existed. We also indicated to EPA that, given the volume of these historical documents, we would not be able to review them by the deadline EPA had imposed for KGC's response. EPA requested that KGC file a preliminary response to the Section 104(e) information request by its deadline using the information and documents readily available to KGC. EPA further requested that KGC agree to conduct a thorough review of the historical records and supplement its response to the Section 104(e) information request in the next few months.

At this time, our office has conducted a preliminary review of the available box indexes for the California documents and it is clear that some boxes may contain information responsive to EPA's Section 104(e) information request. In order to fully respond to EPA's Section 104(e) information request and avoid the imposition of liability on KGC for failing to have done so, counsel for KGC will need to conduct extensive searches of the California documents over the next few months and will need to supplement KGC's preliminary response, as appropriate, based on any responsive



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Employers Reinsurance Corporation
December 21, 2010
Page 3

information identified as a result of such searches. In sum, KGC needs to undertake the process of conducting an investigation of the available information in order to complete its legal obligation to respond to EPA's Section 104(e) information request.

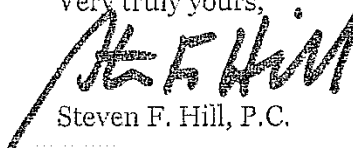
At this time, we do not know if KGC may have contributed to any contamination of the LDW Superfund Site. But as a former owner of property within the boundaries of the LDW Superfund Site, KGC is potentially liable for any contamination of the LDW Superfund Site that may have occurred during KGC's ownership and operation of the KGC Property. In order to assess its potential liability and to comply with its legal obligation to respond to EPA's Section 104(e) information request, KGC is obligated to complete its review of the historical corporate documents stored in California.

Based on our records, Employers Reinsurance Corporation ("Employers") sold excess and/or umbrella liability insurance policies to KGC or its parent Hanson Permanente Cement, Inc. (formerly known as Kaiser Cement & Gypsum Corporation and Kaiser Cement Corporation), naming KGC as an additional insured, during the period from 1977 through 1978. The specific Employers policy that we have located to date is listed above.

The EPA's Section 104(e) information request requires KGC to defend itself from any claims that it is a liable party for the contamination discovered in the LDW Superfund Site. Should further review of historical records establish a basis for KGC's potential liability for contamination of the LDW Superfund Site, we expect that EPA will name KGC as a potentially responsible party for the LDW Superfund Site. Accordingly, on behalf of KGC, we hereby put Employers on notice of this potential claim and request that Employers provide coverage for this claim and any other claims against KGC that are related to the LDW Superfund Site.

If you have any questions, please e-mail me at steve.hill@millernash.com or call me at 360.699.4771.

Very truly yours,



Steven F. Hill, P.C.

KG2004971

039391-0009/VANDOC5.50T44706.1

7160 3901 9848 8113 9602

TO:
Employers Reinsurance Corporation
5200 Metcalf Avenue
Post Office Box 2991
Overland Park, KS 66202

SENDER: MN/Hill/Ledwith

REFERENCE: 030391-0008/0009

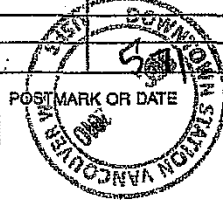
PS Form 3800, January 2005

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	Total Postage & Fees	5.41

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Do Not Use for International Mail

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7160 3901 9848 8113 9619

TO:
Employers Reinsurance Corporation
237 East High Street
Jefferson City, MO 65102

SENDER: MN/Hill/Ledwith

REFERENCE: 030391-0008/0009

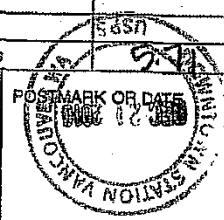
PS Form 3800, January 2005

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	Return Receipt Fee	
	Restricted Delivery	5.45
	Total Postage & Fees	9.71

US Postal Service
**Receipt for
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POST MARK OR DATE



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